

EXHIBIT A

DEFINITIONS

Capitalized terms used in these LVM Payment Guidelines shall have the following meanings, unless otherwise defined herein:

“AAC” means Ambac Assurance Corporation.

“Accretion Amounts” means in respect of any Insured Obligation which has a related Deferred Amount outstanding, on any Payment Date on which such Deferred Amount is to be calculated, accretion on such outstanding Deferred Amount from the immediately preceding Payment Date to the calculation date at a rate compounded monthly to produce an effective annual rate of 5.1%.

“Act” means the Wisconsin Insurers Rehabilitation and Liquidation Act, Wis. Stat. § 645.01 *et. seq.*

“Allocation Schedule” shall have the meaning given to such term in the Proof of LVM Policy Claim Form.

“Allocation Schedule Deadline” means, in respect of any Payment received by the LVM Trustee, the date that is two (2) Business Days following the date on which such Payment was distributed to the LVM Holders.

“Alternative Resolution” means the process defined in Section 3.06 of the Plan pursuant to which the Rehabilitator may negotiate a resolution of certain Claims.

“Amendments” means the amendments to the Plan dated June 12, 2014, and made effective on the Effective Date.

“Business Day” means a day other than a Saturday, Sunday or any other day on which commercial banks in New York, New York are authorized or required by law to close.

“Cash” means legal tender of the United States of America payable in immediately available funds, such as a wire transfer, bank or cashier’s check.

“Chapter 11 Bonds” means the Las Vegas Monorail Cash Pay A Bonds and Las Vegas Monorail Cash Pay B Bonds described in the Las Vegas Monorail Company’s Fifth Amended Plan of Reorganization as modified on March 7, 2012, as confirmed on May 21, 2012 (as the same may be modified or amended from time to time) other than those Cash Pay A Bonds or Cash Pay B Bonds distributed with respect to the LVM Tendered Bonds.

“Claim” means any right to payment from the Segregated Account, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, equitable, legal, secured or unsecured, and regardless of when such right arises.

“Claim Period” shall have the meaning given to such term in the Proof of LVM Policy Claim Form.

“Claim Schedule” shall have the meaning given to such term in the Proof of LVM Policy Claim Form.

“Commissioner” means the Commissioner of Insurance of the State of Wisconsin.

“Confirmation Order” means the Decision and Final Order Confirming the Rehabilitator’s Plan of Rehabilitation, with Findings of Fact and Conclusions of Law, entered by the Court on January 24, 2011.

“Cooperation Agreement” means the Cooperation Agreement, by and between the Segregated Account, the Rehabilitator, AAC and Ambac Financial Group, Inc., effective March 24, 2010, as amended as of March 14, 2012, and as further amended, supplemented or modified from time to time.

“CUSIP” means, in respect of any security, the security as identified by the number allocated to such security pursuant to the Committee on Uniform Securities Identification Procedures.

“Deferred Amount” means with respect to each Insured Obligation (identified by its CUSIP, if any), in respect of which an LVM Policy Claim has been Permitted and an Interim Payment made, the amount established by the Segregated Account as a Deferred Amount pursuant to the procedure set forth in these LVM Payment Guidelines. For each Insured Obligation (identified by its CUSIP, if any) in respect of which an LVM Policy Claim has been deemed Permitted and an Interim Payment deemed made prior to the Effective Date in accordance with the 2012 LVM Payment Rules and Section 2.16 of these LVM Payment Guidelines, the amount determined to be the Deferred Amount in accordance with Section 2.4 of these LVM Payment Guidelines. The Deferred Amount for any such Insured Obligation shall be equal to the sum of the Deferred Loss Amount and its Accretion Amounts.

“Deferred Loss Amount” means, with respect to each Insured Obligation in respect of which an LVM Policy Claim has been Permitted and an Interim Payment made or deemed to be made, the Deferred Amount excluding the aggregate of all Accretion Amounts relating to such Insured Obligation.

“Deferred Payment” means a Payment of all or any portion of a Deferred Amount to be made in accordance with these LVM Payment Guidelines.

“Deferred Payment Amount” means, in connection with any Deferred Payment, the amount, in Cash, paid in respect of the Deferred Amount established for such Permitted LVM Policy Claim.

“Deferred Payment Date” means the Payment Date of any Deferred Payment.

“Deferred Payment Notice” means any notice filed by the Rehabilitator with the Court and posted on the Website to announce a Deferred Payment, which notice shall identify the Deferred Payment Percentage and announce the anticipated Deferred Payment Date.

“Deferred Payment Percentage” means the percentage of each Deferred Amount to be satisfied in a Deferred Payment, as announced by the Rehabilitator.

“Determination Date” means the fifteenth (15th) day of each month (or, if any such day is not a Business Day, the immediately following Business Day), subject to change in the sole and absolute discretion of the Rehabilitator.

“Disallowed Claim” means an LVM Policy Claim that has been determined by the Rehabilitator or the Management Services Provider to constitute a Duplicate Claim or a Late Claim, or that the Rehabilitator or the Management Services Provider has otherwise determined should not be Permitted, in each case in accordance with the provisions of these LVM Payment Guidelines.

“Disclosure Statement” means the Disclosure Statement Accompanying Plan of Rehabilitation filed with the Court on October 8, 2010, as amended, modified or supplemented from time to time.

“Disputed Claim” means an LVM Policy Claim as to which an Objection has been raised by the Rehabilitator or the Management Services Provider and which has not been released, satisfied, terminated, commuted or otherwise extinguished or become a Permitted LVM Policy Claim or a Disallowed Claim.

“DTC” means The Depository Trust Company, a clearing agency registered with the Securities and Exchange Commission or any successor entity thereto.

“Duplicate Claim” means any LVM Policy Claim with respect to which the Rehabilitator or the Management Services Provider has determined, in the Rehabilitator’s sole and absolute discretion, that (i) the payment obligation of the Segregated Account under the provisions of the underlying instrument or contract giving rise to such LVM Policy Claim or (ii) the underlying risk of loss insured pursuant to the provisions of the LVM Policy or other Transaction Documents giving rise to such LVM Policy Claim is the subject of, or is, a Pending LVM Policy Claim, Disputed Claim, Late Claim, Disallowed Claim, Permitted LVM Policy Claim or an LVM Surety Bond Claim.

“Effective Date” means the day on which the Plan is effective, as determined, and announced by the Rehabilitator, in accordance with Article 5 of the Plan.

“General Account” means the general account of AAC.

“Injunction” means the Order for Temporary Injunctive Relief entered by the Rehabilitation Court on March 24, 2010, made permanent by the Confirmation Order, and the related Order Granting Rehabilitator’s Motion to Confirm and Declare the Scope of the Relief Issued Under this Court’s Prior Order for Injunctive Relief, dated September 12, 2012.

“Insured Obligation” means in respect of any LVM Policy Claim, an obligation guaranteed by the Segregated Account under or pursuant to the LVM Policy. The LVM Policy provides financial guaranty insurance in respect of more than one Insured Obligation, each Insured Obligation as identified by its CUSIP, if any.

“Interim Payment” means, with respect to each LVM Policy Claim determined to be a Permitted LVM Policy Claim after the Effective Date, the Payment of the amount equal to the then applicable Interim Payment Percentage of the Permitted LVM Policy Claim Amount, made in accordance with these LVM Payment Guidelines. With respect to each LVM Policy Claim deemed Permitted prior to the Effective Date in accordance with the 2012 LVM Payment Rules and Section 2.16 of these LVM Payment Guidelines, the payment made to the LVM Trustee in accordance with the 2012 LVM Payment Rules.

“Interim Payment Amount” means the amount, in Cash, of any Interim Payment made by the Segregated Account to the LVM Trustee.

“Interim Payment Percentage” means the percentage of a Permitted LVM Policy Claim Amount to be paid by an Interim Payment, as determined by the Rehabilitator in his sole and absolute discretion, which percentage is, for the LVM Policy, 25% on the Effective Date and which may be increased from time to time by the Rehabilitator pursuant to these LVM Payment Guidelines.

“IPP Notice” means any notice filed by the Rehabilitator with the Court and posted on the Website to announce an increase to the Interim Payment Percentage, which notice shall identify the new Interim Payment Percentage and announce the anticipated date that such increase will take effect.

“Late Claim” means any LVM Policy Claim determined, pursuant to the procedure set forth in Section 3.1 of these LVM Payment Guidelines, to not have been submitted in compliance with the provisions of the Plan, the 2012 LVM Payment Rules, or these LVM Payment Guidelines within one hundred twenty (120) days of the earliest date on which such LVM Policy Claim, if it had been submitted, would have satisfied all of the requirements to be considered a Permitted LVM Policy Claim; provided that the Rehabilitator may extend such one hundred twenty (120) day period in the case of excusable neglect (as determined by the Rehabilitator in his sole and absolute discretion), but in no event beyond one year from the earliest date on which such LVM Policy Claim, if it had been submitted, would have satisfied all of the requirements to be considered a Permitted LVM Policy Claim.

“LVM Bonds” means the Las Vegas Monorail Project Revenue Bonds, 1st Tier Series 2000, as amended, modified or supplemented from time to time.

“LVM Holder” means a beneficial owner of an interest in the LVM Bonds.

“LVM Policy” means financial guaranty policy no. 17548BE, which has been allocated to the Segregated Account.

“LVM Policy Claim” means any right to payment from the Segregated Account arising under the LVM Policy, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, equitable, legal, secured, or unsecured, and regardless of when such right arises.

“LVM Surety Bond Claim” means any Policy Claim under the Surety Bond no. SB1080BE dated as of September 1, 2000, issued by AAC in favor of the LVM Trustee in connection with the LVM Bonds.

“LVM Tender” means AAC’s Offer to Purchase for Cash Any and All of the LVM Bonds, which commenced on November 21, 2011 and expired on December 22, 2011.

“LVM Tendered Bonds” means those LVM Bonds which were acquired pursuant to the LVM Tender.

“Management Services Agreement” means the Management Services Agreement between the Segregated Account and AAC, as Management Services Provider, effective March 24, 2010, as amended, supplemented or modified from time to time.

“Management Services Provider” means AAC or any successor Management Services Provider under the Management Services Agreement.

“Objection” means any dispute or objection with respect to an LVM Policy Claim, as contemplated by Section 3.1 of these LVM Payment Guidelines.

“OCI” means the Office of the Commissioner of Insurance of the State of Wisconsin.

“Opposition Period” means the forty-five (45) day period during which the LVM Trustee may oppose a Reconciliation Notice under Section 2.5 of these LVM Payment Guidelines, or the sixty (60) day period during which the Rehabilitator or the Management Services Provider may raise an Objection under Section 3.1, or the sixty (60) day period during which the LVM Trustee may dispute a Subsequent Adjustment under Section 3.3, as the case may be.

“Paying Agent” means any paying agent retained by the Segregated Account on or after the Effective Date, in the sole and absolute discretion of the Rehabilitator, pursuant to Section 3.07 of the Plan for the purpose of making any Deferred Payments in accordance with these LVM Payment Guidelines.

“Payment” means a payment made by or on behalf of the Segregated Account, in Cash, in accordance with the Plan and these LVM Payment Guidelines, an order of the Court, or pursuant to the direction of the Special Deputy Commissioner, on account of Permitted LVM Policy Claims, including but not limited to, Interim Payments, Supplemental Payments, Deferred Payments, and/or payments made (as applicable) in conjunction with an Alternative Resolution. The establishment of a Deferred Amount in accordance with these LVM Payment Guidelines shall not constitute a Payment under the Plan.

“Payment Date” means the date during each month on which LVM Policy Claims Permitted on the immediately preceding Determination Date shall be paid in accordance with

these LVM Payment Guidelines. The Payment Date shall be the twentieth (20th) day of each such month (or, if any such day is not a Business Day, the immediately following Business Day), or such other date as the Rehabilitator shall determine in his sole and absolute discretion.

“Pending / Pending LVM Policy Claim” means an LVM Policy Claim (i) submitted by the LVM Trustee in accordance with all of the requirements of the Plan and these LVM Payment Guidelines, including, without limitation, Sections 1.2, 1.3 and 1.4 of these LVM Payment Guidelines; (ii) which is under evaluation by the Rehabilitator or the Management Services Provider; and (iii) which is not, or has not become, a Permitted LVM Policy Claim, a Disputed Claim, a Late Claim, a Duplicate Claim or a Disallowed Claim.

“Permitted / Permitted LVM Policy Claim” means an LVM Policy Claim (other than a Late Claim, a Disputed Claim, a Pending LVM Policy Claim, a Duplicate Claim or a Disallowed Claim) submitted by the LVM Trustee in compliance with the provisions of the Plan and these LVM Payment Guidelines, and determined by the Rehabilitator or the Management Services Provider to be a matured, non-contingent due and payable obligation according to the provisions of the LVM Policy and/or any other underlying instrument(s) or contract(s) giving rise to or governing such LVM Policy Claim. Permitted LVM Policy Claims shall not include any LVM Policy Claim in respect of (i) any interest on such LVM Policy Claim to the extent accruing or maturing on or after the Petition Date, (ii) punitive, consequential, special or exemplary damages, (iii) any fine, penalty, tax or forfeiture, including, but not limited to, default or penalty interest purported to be imposed on the LVM Policy Claim or on the related Insured Obligation, if any, that would violate the Injunction, or (iv) in the sole and absolute discretion of the Rehabilitator, that portion of any loss for which indemnification is provided by other benefits or advantages recovered or recoverable by an LVM Holder holding an LVM Policy Claim or the LVM Trustee, including without limitation, any cash deposits, reserves or other defeasance or reinsurance instruments made available to such LVM Holder. In addition, a Permitted LVM Policy Claim shall not include any LVM Policy Claim in respect of which the LVM Trustee, the LVM Holder of such LVM Policy Claim, or any other party to the transaction relating to the LVM Policy, is in violation of these LVM Payment Guidelines, the Plan, the Injunction or any other order of the Court relating to the Segregated Account.

“Permitted LVM Policy Claim Amount” means, with respect to each Permitted LVM Policy Claim, the amount of the Permitted LVM Policy Claim, as determined pursuant to these LVM Payment Guidelines.

“Person” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, an estate, a trust, an unincorporated organization, a government or any political subdivision thereof, or any other entity.

“Petition Date” means March 24, 2010, the date on which OCI commenced the Proceeding.

“Plan” means the Plan of Rehabilitation for the Segregated Account and all supplements and Exhibits thereto, as confirmed by the Confirmation Order, and as the same has been amended by the Amendments, and as may be further amended or modified as set forth herein and in accordance with the Act.

“Plan of Operation” means the Plan of Operation of the Segregated Account, as amended, modified and/or supplemented from time to time.

“Proceeding” means the legal proceeding, currently styled as In the Matter of the Rehabilitation of: Segregated Account of Ambac Assurance Corporation, Case No. 10 CV 1576, pending in the Court.

“Proof of LVM Policy Claim Form” means the form attached to these LVM Payment Guidelines as Exhibit B to be used by the LVM Trustee to submit one or more LVM Policy Claim(s) to the Management Services Provider in accordance with these LVM Payment Guidelines, as such form may be amended and/or supplemented from time to time in the sole and absolute discretion of the Rehabilitator.

“Reconciliation” means a semi-annual reconciliation of Deferred Loss Amounts relating to Permitted LVM Policy Claims, and any Recovery Amounts, and/or Payments relating thereto, in accordance with the procedure set forth in Section 2.5 of these LVM Payment Guidelines.

“Reconciliation Date” means, for a Reconciliation Notice delivered no later than April 1 of any given year, January 20 of the same calendar year (or if such Reconciliation Date is not a Business Day, the first Business Day immediately preceding such Reconciliation Date). For a Reconciliation Notice delivered no later than October 1 of any given year, the Reconciliation Date shall be July 20 of the same calendar year (or if such Reconciliation Date is not a Business Day, the first Business Day immediately preceding such Reconciliation Date). The first Reconciliation Date following the Effective Date of the Plan shall be July 20, 2014, or the first Payment Date thereafter specified by the Rehabilitator, whichever is later.

“Reconciliation Notice” means any notice delivered to the LVM Trustee by the Management Service Provider, pursuant to Section 2.5 of these LVM Payment Guidelines. Reconciliation Notices shall indicate the Management Services Provider’s calculation, as of the applicable Reconciliation Date, of the Deferred Loss Amount, taking into consideration any Recovery Amounts, Reimbursement Amounts, or Payments.

“Recovery Amount” means, in respect of any Insured Obligation (identified by its CUSIP, if any), the amount of any payments, recoveries, reimbursements or other assets or benefits (excluding any Payments made under the Plan, the 2012 LVM Payment Rules or these LVM Payment Guidelines) which the Rehabilitator, in his sole and absolute discretion, determines that an LVM Holder of a Permitted LVM Policy Claim relating to such Insured Obligation has received, collected or recovered and that satisfies an obligation of the Segregated Account under the Plan with respect to Deferred Loss Amounts. Such amounts shall include, without duplication, double-counting or limitation, the amount of any payments, recoveries, reimbursements or other assets or benefits (excluding any Payments made under the Plan, the 2012 LVM Payment Rules or these LVM Payment Guidelines) that:

- (i) are attributable to, or paid in respect of or pursuant to, the Chapter 11 Bonds;
- (ii) such LVM Holder of a Permitted LVM Policy Claim relating to such Insured Obligation has received, collected or recovered from a Person that is not AAC or

the Segregated Account (other than scheduled principal and/or interest on the collateral for such Insured Obligation);

- (iii) reduce, or are permitted to reduce, any amount of overdue and unpaid interest and/or principal that is insured under the LVM Policy;
- (iv) such Holder of a Permitted LVM Policy Claim relating to such Insured Obligation has received, collected or recovered in respect of such Insured Obligation that AAC, the Segregated Account would have been entitled to receive, collect, recover, or receive the benefit of, had it paid 100% of the Permitted LVM Policy Claim relating to such Insured Obligation in Cash (rather than as contemplated herein);
- (v) reduce the principal or interest on any such Insured Obligation after the final scheduled distribution date or maturity date of such Insured Obligation; and/or
- (vii) such LVM Holder of a Permitted LVM Policy Claim relating to such Insured Obligation has received, collected or recovered pursuant to or in connection with any Alternative Resolution or pursuant to any judgment rendered by a court of competent jurisdiction in respect of such Claims.

“Reimbursement Amount” means the amount of any payments, recoveries, reimbursements or other assets that AAC is entitled to receive, collect or recover in its capacity as insurer, surety, credit support provider, credit enhancer, credit default swap counterparty or similar capacities, or as assignee or subrogee, under the LVM Policy, any related Transaction Document with respect to the underlying obligation or Insured Obligation under the LVM Policy, or any third party settlement or reinsurance agreement, but excluding premium payments under the LVM Policy and, in the sole and absolute discretion of the Rehabilitator, payments made under expense-related agreements to which AAC is a party. For the avoidance of doubt, if, instead of being received, collected or recovered by AAC, any Reimbursement Amounts are received, collected or recovered by the LVM Trustee or the LVM Holder of a Permitted LVM Policy Claim, such Reimbursement Amounts may be treated as Recovery Amounts under the Plan, subject to AAC’s right to collect such Reimbursement Amounts from the LVM Trustee or such LVM Holder(s) under Section 2.12 hereof.

“Reinsurance Agreement” means the Aggregate Excess of Loss Reinsurance Agreement between the Segregated Account and AAC, entered into as of the Petition Date, as amended, modified or supplemented from time to time.

“Resolution” shall have the meaning given to such term in Section 2.5, 3.1 or 3.3 of these LVM Payment Guidelines, as applicable.

“Secured Note” means the Secured Note issued by AAC to the Segregated Account on the Petition Date, as amended, modified or supplemented from time to time.

“Segregated Account Operational Documents” means the documents and agreements pertaining to the establishment and operation of the Segregated Account, including, but not

limited to, the Plan of Operation, the Secured Note, the Reinsurance Agreement, the Management Services Agreement and the Cooperation Agreement, each as amended, modified or supplemented from time to time.

“Special Deputy Commissioner” means the Special Deputy Commissioner of the Segregated Account appointed by order of the Court.

“Subsequent Adjustment” means any adjustment made in accordance with Section 3.3 of these LVM Payment Guidelines.

“Subsequent Adjustment Notice” means the written notice of any Subsequent Adjustment made in accordance with Section 3.3 of these LVM Payment Guidelines, which notice shall indicate the adjustment to be made and the reasons for doing so.

“Supplemental Payment” means any Payment made in accordance with Section 2.14, or deemed to be made in accordance with Section 2.16, of these LVM Payment Guidelines to the LVM Trustee in excess of the Interim Payment and/or any Deferred Payment made on account of a Permitted LVM Policy Claim in order to maximize Reimbursement Amounts. Supplemental Payments shall not include Recovery Amounts.

“Transaction Documents” means any agreements relating to the LVM Policy, including any credit derivative transaction agreements (including credit default swaps), interest rate or currency rate swap agreements, basis swap agreements, total return swap agreements, indentures, trust deeds, collateral management or administration agreements, credit or loan agreements, residential mortgage-backed security transaction documents, guarantee investment certificates, custodial account agreements, note purchase agreements, or other financing or transaction documents of any kind.

“Website” means the website established by the Rehabilitator for policyholders at www.ambacpolicyholders.com, which makes available for viewing and download the key documents described herein and in the Disclosure Statement, including, but not limited to, the Plan and the Segregated Account Operational Documents.

“Wis. Stat. § ____” means the Wisconsin Statutes (2011-12), as amended.